



Customer FAQ

1. What did LL Flooring announce?

- LL Flooring has initiated a voluntary court-supervised process under Chapter 11 of the U.S. Bankruptcy Code and intends to use these proceedings to pursue a going-concern sale of the business and also separately continue to pursue a sale of its distribution center in Sandston, Virginia.
- LL Flooring has more than 300 continuing stores across the U.S. that, along with our online platform, remain open and serving customers.
- In addition, LL Flooring entered into an agreement with Hilco Merchant Resources, LLC, to assist the Company in its recently initiated store closing sales at 94 of its locations. Those stores will remain open and serving customers throughout the closing process.
- The Company has received a commitment for debtor-in-possession ("DIP") financing that gives the Company sufficient ability to operate the business.
- Following Court approval, this DIP financing, combined with cash generated from the Company's ongoing operations is expected to support the business during the Chapter 11 proceedings.
- While there is no assurance regarding the outcome of the Company's pursuit of a going-concern sale of the business through this court-supervised process, we will take the path that we believe is in the best interests of our company and stakeholders.
- Importantly, LL Flooring is generally operating in the normal course throughout this process.

2. What is Chapter 11?

- Chapter 11 is a section of the U.S. Bankruptcy Code that allows companies to reorganize while benefiting from certain protections designed to give a company flexibility to allow the company to restructure, including by implementing a sale of the business or assets and reorganizing its finances, among other things, while continuing to operate its business throughout this process.

3. Does this mean LL Flooring is going out of business?

- We are open for business and generally continuing to operate in the normal course.
- LL Flooring has more than 300 continuing stores across the U.S. that, along with our online platform, remain open and serving customers with few changes to store operations and policies.
- The Company recently began store closing sales at 94 of its locations and those stores will remain open and serving customers through the closing process.
- The Company remains focused on providing customers with outstanding hard and soft surface flooring and an exceptional shopping experience.

4. Why is LL Flooring pursuing a sale of the Company through a Chapter 11 process? Why now?

- In recent years, LL Flooring, as with many companies, has experienced several macroeconomic and operational challenges that have put a strain on our business.
- While we have taken a number of actions over the last several months to reduce costs and preserve cash, after a comprehensive review of options to enhance our liquidity position in a challenging macro environment, the Board and management determined that initiating this Chapter 11 process is the best path forward for the Company.
- While there is no assurance regarding the outcome of the Company's continued pursuit of a going-concern sale of the business through this court-supervised process, we will take the path that we believe is in the best interests of and provides the most value to our company, associates and other stakeholders.

5. When will the Company know if it is being sold as a going concern?

- The Company remains in active negotiations with multiple bidders and hopes to seek Bankruptcy Court approval of a sale of its business by mid-September.
- That said, timing in these types of processes is fluid and could shift.
- We will keep our stakeholders informed of updates in the process as appropriate.

6. Which store locations are you closing? How did you decide which stores to close?

- A full list of the 94 stores that are holding closing sales can be found on the LL Flooring website at <https://www.llflooring.com/store-closings/>.
- We came to the decision on which stores would be closed after a detailed analysis of our real estate portfolio with the help of our financial advisors.
- While the Company began store closing sales at 94 of its locations, those stores remain open and serving customers through the closing process.
- LL Flooring also has more than 300 continuing stores across the U.S. that, along with our online platform, remain open and serving customers with few changes to store operations and policies.

7. Do you expect additional store closures?

- At this time, we do not plan to close additional stores through the Chapter 11 process.
- That said, we will continue to evaluate our footprint as appropriate.
- We will keep our stakeholders apprised of relevant updates as appropriate.

8. What does the Chapter 11 process mean for customers?

- First and foremost, we are open for business.
- All of LL Flooring's stores and online platform are open and operating, and the Company remains focused on providing customers with outstanding hard and soft surface flooring and an exceptional shopping experience.
- It remains business as usual at our more than 300 continuing stores and we are continuing to serve professional and do-it-yourself customers and operate substantially the same as we did before.
 - We recently announced plans to close 94 of our stores and closing sales are being held at these locations through September. A full list is available on our website at <https://www.llflooring.com/store-closings/>.
- We value our relationship and look forward to continuing to serve you.

9. Can I still order flooring?

- Yes, we are open for business and all of LL Flooring's stores and online platform are open and operating.
- As an organization, we remain committed to continuing to serve our valued customers with the broad range of hard and soft surface flooring that they have come to expect.
- At our more than 300 continuing stores, we are continuing to serve professional and do-it-yourself customers and operate substantially the same as we did before.
- We recently announced plans to close 94 of our stores and closing sales are being held at these locations over the next approximately two months.
- Stores that are closing will be limited to inventory that is on site. However, if we cannot fulfill your order from inventory located in a closing store, we can check with another nearby continuing store that is remaining open. The price may vary from the closing location.
- A full list of stores that are closing has been posted on the LL Flooring website at <https://www.llflooring.com/store-closings/>.
- We remain focused on being our customers' first choice in hard and soft surface flooring by providing the best experience, from start to finish.

10. Will the 94 closing locations be holding a store closing sale? Will you be discounting your inventory?

- Yes, closing stores will be conducting sales over the coming weeks at which customers will have the opportunity to purchase LL Flooring products at special prices.
- The special prices will be available only at the closing stores.
- If we cannot fulfill your order from inventory located in a closing store, we can check with another nearby continuing store that is remaining open. The price may vary from the closing location.

11. Will there be any changes in the store's products, services or offerings as a result of the Chapter 11 filing?

- At our more than 300 continuing stores, we are continuing to serve professional and do-it-yourself customers and operate substantially the same.
- We have made a few important policy changes at continuing stores, as follows:
 - Orders placed before August 11, 2024 must be picked up by September 11, 2024. All new orders must be picked up within 30 days of placement.
 - New orders may be placed for products that are in stock in our stores or distribution centers.
 - Custom orders or orders for inventory that is not currently stocked in our Store or DC warehouses will no longer be available. Carpet will still be available for sale.
 - Any open order placed before August 12, 2024, cannot be adjusted for more than \$3,350 in returns. Customers can modify their order to receive additional or different product, but will not be refunded more than \$3,350 if the order is cancelled.
 - Any new order placed on or after August 12, 2024, in our continuing stores can be fully refunded.
- We recently announced plans to close 94 of our stores and closing sales are being held at these locations through September. (A full list of stores that are closing has been posted on the LL Flooring website at <https://www.llflooring.com/store-closings/>.)
- We have made a few important policy changes at closing stores, as follows:
 - Stores that are closing will be limited to inventory that is on site and all sales are final.
 - If we cannot fulfill your order from inventory located in a closing store, we can check with another nearby continuing store that is remaining open. The price may vary from the closing location.
- We will continue to accept gift cards at all continuing and closing stores until September 3, 2024. After September 3, 2024, gift cards will no longer be accepted. Gift cards are not redeemable for cash.

12. Will there be any changes to the Company's installation services as a result of the Chapter 11 filing?

- At our more than 300 continuing stores, we are continuing to operate substantially the same and we are continuing to offer installation services at these stores.
- At the 94 stores we are closing and where closing sales are being held, we have discontinued installation services. However, those stores can provide you with a list of installers in your area to complete your installation.
- A full list of stores that are closing has been posted on the LL Flooring website at <https://www.llflooring.com/store-closings/>.

13. I have received my flooring, but it is not yet installed. Will you be able to complete the installation?

- At our more than 300 continuing stores, we are continuing to operate substantially the same and we are continuing to offer installation services at these stores.
- At the 94 stores we are closing and where closing sales are being held:
 - *If your install is scheduled:* we will need to complete the installation by the end of September.
 - *If your install is not scheduled:* then we can work with a nearby store to have the installation transferred or cancel the installation if your market does not have nearby stores. Your store can provide the contact for our PIC and you can work with them to coordinate installation independent of LL Flooring.

14. Will there be any changes to the Company's warranties as a result of the Chapter 11 filing?

- At our more than 300 continuing stores, we are continuing to operate substantially the same and we are continuing to offer warranties at these stores.
- At the 94 stores we are closing and where closing sales are being held:
 - *For products purchased prior to the start of the closing sales on August 9, 2024:* We expect the warranty will remain in place and you can file a claim through our Customer Care Center at 1-844-455-3566.
 - *For purchases made on or after the start of the closing sales on August 9, 2024:* Sales are final and without warranty.

15. Will there be any changes to return policies at the continuing LL Flooring stores as a result of the Chapter 11 filing?

- At our more than 300 continuing stores, we are continuing to operate substantially the same and are accepting product returns.
- At the 94 stores we are closing and where closing sales are being held, all sales are final.

16. Will there be any impact to my delivery time as a result of the Chapter 11 filing or store closing process?

- We don't expect the Chapter 11 process or the store closing process at the 94 stores that are closing to have an impact on your delivery time.
- As usual, we will do our best to deliver your products on time as scheduled.

17. Can I continue to shop online?

- Yes, LL Flooring's stores and online platform are open and operating.
- You can continue to order online through our website as normal at <https://www.llflooring.com/>.
- If you visit the website, you will see that the closing stores are no longer available to select as "my store" and the inventory on site at those stores are not available for sale through the website.

18. Can I use my store credit at stores?

- Yes, you can use your store credit at all locations.

19. I have placed an order and made a deposit. Can I cancel my order and get my deposit back?

- At our more than 300 continuing stores, we are continuing to serve professional and do-it-yourself customers and operate substantially the same.
- We have made a few important deposit policy changes at continuing stores, as follows:
 - As a result of the court-supervised process the Company has undertaken, any open order deposit placed before August 12, 2024, cannot be refunded for more than \$3,350. Customers can modify their order to receive additional or different product, but deposits will not be refunded more than \$3,350 if the order is cancelled.
 - Any new order placed on or after August 12, 2024, in our continuing stores can be fully refunded.
- At the 94 closing stores all sales are final at these locations.

20. I have placed an order and made a deposit. Will I still get my order? Will you still be able to complete the installation?

- At our more than 300 continuing stores, we are continuing to operate substantially the same and the order will be fulfilled and we expect to continue to offer installation services at these stores
- At the 94 stores we are closing and where closing sales are being held:
 - *For Materials for closing stores:*
 - If your store has the completed GREEN Order in store: Yes, the order will be fulfilled.
 - If available in Distribution Center: If the order was placed prior to August 9, 2024, your order will be fulfilled.
 - If backordered: If the order was placed prior to August 9, 2024, and it is backordered, we will work with you to either identify an alternative floor in stock, or work with a neighboring store to find an alternative solution.
 - If the order was placed on or after August 9, 2024: The product should be in stock as we are only selling inventory available in store at closing locations on or after August 9, 2024.
 - *For Installations for closing stores:*
 - If your install is scheduled, yes, we will be able to complete the installation and we will need to complete it in the next 4 weeks.
 - If your install is not scheduled, then please work with a nearby store to have the installation transferred, or cancel the installation if your store is in a market that does not have nearby stores. And if you would like, I can provide the contact for our PIC and you can work with them to coordinate Installation independent of LL.

21. Is my point of contact the same?

- Yes. You can continue to reach out to your respective company contact.

22. What stores are currently open?

- All of LL Flooring's stores and online platform are open and operating, and the Company remains focused on providing customers with outstanding hard and soft surface flooring and an exceptional shopping experience.
- At our more than 300 continuing stores, we are continuing to serve professional and do-it-yourself customers and operate substantially the same.
 - We recently announced plans to close 94 of our stores and closing sales are being held at these locations over the next approximately two months. A full list is available on our website at <https://www.llflooring.com/store-closings/>.